

**REMARKS**

Claims 1 - 20 are pending in the present application.

This Amendment is in response to the Office Action mailed March 11, 2004. In the Office Action, the Examiner objected to the drawings, and rejected claims 1-20 under 35 U.S.C. § 103. Applicant has amended claims 1-7, 9-11, 14-17, and 19-20.

Reconsideration in light of the amendments and remarks made herein is respectfully requested.

**I. TITLE**

Applicant has amended the Title to reflect the description of the invention. Applicant submits that no new matter is added. Therefore, Applicant respectfully requests that the new title be accepted.

**II. SPECIFICATION**

The Examiner objected to the Specification due to minor informalities. In response, Applicant has amended the Specification accordingly. Therefore, Applicant respectfully requests the objection be withdrawn.

**III. DRAWINGS**

In the Office Action, the drawings were objected to in light of cited informalities. In response, Applicant has amended Figures 1 and 2 in which the proposed changes are made. In amended Figure 1, the previously omitted description of 106 "STORAGE MEDIUM" and 120 "COMMUNICATION LINK" has been added. In amended Figure 2, the previously omitted description of 106

"STORAGE MEDIUM" and 122 "COMMUNICATION LINK" has been added. Applicant respectfully requests acceptance of these amended Figures because no substantive new matter has been added.

#### **IV. REJECTIONS UNDER 35 U.S.C. § 103**

The Examiner rejected claims 1, 2, and 4-20 under U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,609,101 B1 issued to Landvater ("Landvater") in view of U.S. Patent No. 5,899,980 issued to Wilf ("Wilf"). The Examiner also rejected claim 3 under U.S.C. § 103(a) as being unpatentable over Landvater in view of Wilf and further in view of U.S. Patent No. 6,633,853 B2 issued to Oshima ("Oshima"). Applicant respectfully traverses the rejections for the following reasons.

Landvater discloses a time-phased forecasting and replenishment system for retail organizations which can be used for inventory management and financial management (Abstract). A conventional point of sale (POS) system that provides sales information in form of product, quantities, and date sold ... This POS information is used to provide a sales history and to update the perpetual inventory system... Product information includes product descriptions ... (Col. 8, lines 6-26). Landvater, however, does not disclose a second level distributor being successively enlisted from the primary distributor.

Wilf discloses a retail method that a customer does not need to transmit sensitive information such as a credit card number over the Internet for purchasing goods or services, nor does the user need to install additional software on his computer for using the billing method (Col. 1, lines 54-60). Wilf also discloses that the financial service provider is selected from the group consisting of a bank and a

credit card company (Col. 4, lines 64-67). Unlike the present invention, Wilf does not disclose a second level distributor being successively enlisted from the primary distributor.

Oshima discloses that the pit portions of optical disks are provided with an additional recording area or Burst Cutting Area (BCA) overwritten with a bar code and when the disks are manufactured, IDs differing for each disk and, according to the need, cipher keys for communication and decoding keys for decoding key cipher texts for communication, are recorded individually in the BCA area (Col. 1, lines 36-44). Nowhere does Oshima disclose a second level distributor being successively enlisted from the primary distributor.

Landvater, Wilf, and Oshima, taken alone or in any combination, do not disclose, suggest, or render obvious a second level distributor being successively enlisted from the primary distributor.

Therefore, Applicant believes that independent claims 1, 5, 10, 15 and their respective dependent claims are distinguishable over the cited prior art references. Accordingly, Applicant respectfully requests the rejections under 35 U.S.C. § 103(a) be withdrawn.

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**CONCLUSION**

In view of the amendments and remarks made above, it is respectfully submitted that the pending claims are in condition for allowance, and such action is respectfully solicited. If it is believed that a telephone conversation would expedite the prosecution of the present application, or clarify matters with regard to its allowance, the Examiner is invited to contact the undersigned attorney at the number listed below.

The Commissioner is hereby authorized to charge payment of any required fees associated with this Communication or credit any overpayment to Deposit Account No. 04-1175.

Respectfully submitted,

DISCOVISION ASSOCIATES

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